



Association of Metropolitan School Districts

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May 23, 2024

To: AMSD Board of Directors

From: Scott Croonquist

RE: Annual Report

It has been a busy and challenging year following last year's legislative session and the adoption of the most consequential legislation impacting education in many years. The 2023 session saw the approval of some of AMSD's long-time funding priorities including allowing school boards to renew an operating referendum, linking the formula to inflation, and significantly reducing the special education and English learner cross-subsidies. At the same time, expansive new requirements and expectations for school districts were adopted along with major changes to state labor law.

As AMSD member districts adopted their budgets and entered contract negotiations with their bargaining units, it quickly became evident that most were facing a budget challenge in the 2024-25 school year. This was not a surprise to AMSD members as we had cautioned state policymakers during the 2023 session that the funding they were proposing would not be sufficient to meet inflationary cost pressures and the new programs and requirements they planned to adopt. However, the media and members of the public did not understand how school districts could be facing budget shortfalls following the "historic" funding increase approved in the 2023 session. This was a troubling narrative with school districts entering contracting negotiations and several AMSD members planning a fall referendum.

To help our member school districts, and educate the public about the financial realities facing school districts, we developed a background paper outlining the confluence of factors impacting school district budgets:

https://www.amsd.org/wp-content/uploads/2023/09/Education-Funding_-_A-Reality-Check.pdf

The background paper seemed to be very helpful to members and the content was regularly cited in media stories and even by legislators. Many AMSD members indicated that it was also a helpful tool during their referendum campaigns and contract negotiations.

Legislative Platform

Preparation for the 2024 legislative session began last August when we conducted our annual survey of AMSD board members and district staff to identify funding and policy priorities. The feedback gathered from the survey was collected and analyzed for the AMSD Legislative Committee. The legislative committee used the information to draft a [legislative platform](#) focused on funding inflationary costs, the new requirements adopted in the 2023 session, school safety, local control, and student-centered learning. As has been our custom, the platform was streamlined a few months into the session when we had a better sense of the political landscape, and the updated budget forecast was released. The board adopted the following priorities at the April meeting:

- Provide \$100 per pupil in one-time aid to support a successful implementation of the Read Act and other programs approved in the 2023 session;
- Phase-in an increase in Local Optional Revenue to \$920 per pupil and link it to the formula;
- Enact a permanent funding stream to cover mandated unemployment insurance and Paid Family Medical Leave costs;
- Make compensatory hold harmless funding permanent;
- Grant flexibility with instructional hour requirements to allow school districts to establish personalized, competency-based learning opportunities for students; and
- Refrain from enacting new mandates in the 2024 session. School boards, administrators, teachers, and other school staff have worked tirelessly to implement the expansive new programs and requirements adopted last year and need time and space to ensure successful implementation.

The final budget and policy bills signed into law include \$76 per pupil in one-time funding to support the implementation of the Read Act which accounted for most of the new funding. The funding bill also extends the statewide compensatory funding hold harmless language beyond FY2027 when it had been scheduled to expire. While the final bill did not include an increase in Local Optional Revenue, we had excellent hearings on our proposed legislation in the House and Senate Education Finance Committees that raised awareness to the fact that this important funding stream has been badly eroded by inflation. Similarly, AMSD members provided compelling testimony in support of our bill to provide greater flexibility with instructional hour requirements laying the groundwork for progress next year.

AMSD Budget Survey

At the start of the session, the Governor and legislative leaders made it clear they would not be proposing significant new funding in the 2024 session and would instead focus on policy issues and implementing the new programs approved in the 2023 session. In fact, the Governor's proposed supplemental budget did not include any new funding for school districts. Shortly after the Governor released his supplemental budget proposal, Speaker Hortman and Majority Leader Murphy announced that they had reached agreement with the Governor on supplemental budget targets. The agreement included \$43 million in supplemental funding for education for FY2025. Just \$18 million of that total is ongoing funding and is targeted toward the new VPK seats and to reinstate the compensatory pilot programs which had been inadvertently discontinued in the 2023 education bill.

In an effort to build support for additional supplemental funding for education, AMSD conducted a budget survey of our member districts. The survey showed that our members faced over \$300 million in combined shortfalls for FY2025. The survey results were reported widely in the media and recited by legislators throughout the session in committee hearings and on the floor of the House and Senate. The survey results played a significant role in the decision by legislators to expand the allowable uses of the \$35 million appropriation adopted in the 2023 session for curriculum under the Read Act. It was also instrumental in making the case against new mandates being adopted in the 2024 session and provided helpful information for our members who were still in contract negotiations.

<https://www.amsd.org/2024/03/04/2024budgetsurvey/>

Below is a recap of other activities and events from the past year.

Superintendent Zoom Meetings

We continued to convene and support regular AMSD superintendent Zoom meetings. The Zoom calls were initiated during the pandemic and continue to be regularly attended and highly valued by our superintendents. The meetings provide a time and space for the superintendents to share information, discuss current challenges, such as contract negotiations, and strategize solutions while supporting each other.

Reimagine Minnesota – Together in Partnership

We continued our work with the MN State High School League and other education organizations to lift the voices of our students and work to ensure safe, welcoming, and respectful environments in athletics and activities that are free from harm. The MSHL hosted eight regional meetings throughout the state last fall culminating in a statewide student conference in December at the RiverCentre in Saint Paul.

Student-Centered Learning

For the past year, funded by a grant from the Minneapolis Foundation, AMSD has partnered with the national education nonprofit KnowledgeWorks to identify potential policy changes that could support innovative, student-centered learning in Minnesota schools. The initial phases of the project explored and identified Minnesota state-level policies and regulations, published in a state policy “opportunity analysis,” including recommendations for policy and systems-level change. We are now in the final phase of the project. The final report will include a strategy guide to use as we advocate for recommendations outlined in the opportunity analysis and build on the momentum from this session.

Annual Conference

We again partnered with BrightWorks to host the annual policy conference in November. The theme of the conference was Embracing Student-Centered Learning and Artificial Intelligence. The keynote address by Jon Fila was informative and thought provoking. Edina Director of Media and Technology Services Natasha Monsaas-Daly and Eden Prairie High School Students Geovanny Colon and Vincent Schulze joined Jon for an engaging panel discussion examining the promise, and cautions related to AI.

A big thanks to the AMSD members who shared a breakout session highlighting their expertise and experiences related to student-centered learning and/or implementing AI. You can find the agenda, slide decks, and other materials from the conference on the website:

- [LINK: www.amsd.org/conference2023/](http://www.amsd.org/conference2023/)

Legislative Session Preview

On Friday, Feb. 2, more than 150 AMSD members — superintendents, school board members and district staff — welcomed more than two dozen state legislators and Minnesota Department of Education Commissioner Willie Jett to AMSD’s annual Legislative Session Preview. The preview provides an opportunity for legislators to hear the priorities of AMSD member school districts and discuss important education issues. AMSD member school districts collectively serve more than half of the public-school students in Minnesota.

Two AMSD superintendents —Dr. Laurie Putnam of St. Cloud Area School District 742 and Dr. Jason Berg of the Farmington Area School District — joined AMSD Chair Marcus Hill of District 197 / Mendota Heights-West St. Paul-Eagan in highlighting AMSD’s legislative priorities.

All three presenters thanked legislators for the significant investments approved in the 2023 session. At the same time, they noted that historic inflation, staffing shortages, and new programs and requirements adopted in the 2023 session continue to squeeze school districts’ budgets.

Chair Hill offered the analogy of how balancing a household budget is not significantly different than meeting a district budget’s bottom line - and how increased expenses and the loss of revenue – such as the end of federal pandemic relief funding - has left many school districts facing significant challenges.

Superintendents Putnam and Berg echoed Chair Hill’s themes, each sharing a local perspective — and the challenges of balancing a budget while also facing non-negotiable costs (such as utilities, transportation, and contractual obligations).

The preview concluded with a legislative panel discussion that featured four leaders from the House and Senate Education Policy Committees — Rep. Josiah Hill, Rep. Peggy Bennett, Sen. Julia Coleman, and Sen. Steve Cwudzinski. The four legislators outlined some of their priorities for the 2024 session and previewed a few of the issues they expect to come before them during the session.

<https://www.amsd.org/preview2024/>

AMSD Day at the Capitol

More than 100 AMSD members turned out for AMSD’s Day at the Capitol on Tuesday, March 5. This year we partnered with MASA Region 9 to host the event. AMSD annually hosts the Day at the Capitol to encourage members, students, and education leaders to meet with legislators, attend committee hearings, and advocate for public education. House Education Finance Committee Chair Cheryl Youakim, Senate Education Finance Committee Chair Mary Kunesh, and Reagan Greene, education policy advisor to Gov. Walz and Lt. Gov. Flanagan, spoke to the attendees to kick off the day. From there, AMSD members attended committee hearings and met with their local legislators.

Board of Directors Meetings

AMSD Board of Directors and committee meetings continue to be conducted in a hybrid format with the option to attend in person or participate remotely via Zoom. Below is a summary of the board meetings over the past year:

- Last August, we kicked off our initiative with KnowledgeWorks to gather feedback and direction to support our advocacy efforts to adopt legislation to support student centered learning. Anne Olson and Jon Alfuth from KnowledgeWorks facilitated small group breakouts and compiled comments and ideas from AMSD members.
- In September, we were pleased to hear from Dr. Bill Morris and Peter Leatherman from the Morris Leatherman Company who shared an informative overview of their most recent polling data. Peter and Dr. Morris have graciously shared polling data with AMSD board members for several years at our September board meeting.
- We heard from an outstanding student panel at the October meeting as well as an informative update from PELSB Executive Director Yelena Bailey and Licensing Supervisor Emily Busta. They shared an overview and update about how educator licensing was impacted by legislation adopted in the 2023 session. In addition, the board approved updated position papers on Charter Schools, Compensatory Revenue, Facilities Funding, and Mandate Reduction and Local Control
- In November, we heard a presentation from Supt. Peter Olson-Skog, West St. Paul-Mendota Heights-Eagan School District and Dr. Katie Pekel, College of Education and Human Development, University of Minnesota, titled *Leading Leaders: Helping Principals Grow*. The board also reviewed a draft of the 2024 legislative platform.
- Senior Demographer Megan Dayton from the Minnesota Demographic Center shared an informative presentation about the state's changing demographics at the December meeting. The board also adopted the 2024 legislative platform as well as updates to the position papers on Early Childhood Education, English Learner Funding, Special Education Funding, and Taxpayer Subsidies for Nonpublic K-12 Education.
- The guest speakers for the January meeting were Dr. Lana Peterson, Maira Rosas-Lee, and Eric Billiet from the MN Department of Education who shared a presentation on the state's Longitudinal Data Systems and how it can be used to expand student-centered learning programs. The board also adopted updates to the position papers on School Board Renewal of a Capital Projects Referendum, School Safety, and Tiered Licensure for Teachers.
- The February meeting was used for the 2024 Session Preview program which is summarized earlier in this report.
- Rep. Heather Edelson, Sen. Zach Duckworth, and Assistant MDE Commissioner Bobbie Burnham were the speakers at the March meeting. They provided an update on the implementation of the Read Act and the Read Act 2.0 legislation. We also recognized and honored Saint Paul Supt. Joe Gothard on being named the National Superintendent of the Year.
- At the April meeting we heard an update on the establishment of the new Department of Children, Youth, and Families from Erin Doan, the Assistant Transition Director. We also heard an update on the status of various education bills from Rep. Ben Bakeberg and Rep. Sandra Feist. In addition, the board adopted the 2024 Session Priorities document, a streamlined version of the legislative platform.
- On May 3 we heard from Minnesota Secretary of State Steve Simon who shared an overview of the role schools play in Minnesota's election system as well as schools'

role in first-time voter turnout and an update on recent election law changes. We also heard an update from BrightWorks Executive Director John Schultz and, BrightWorks' staff members Chris Streiff Oji and Colleen Feller on their role in implementing the Read Act.

- At the May 24 meeting we are hearing from Adosh Unni and Cathy Erickson from MDE who will share an overview of the 2024 Omnibus Education Bills and other education related legislation.

AMSD Team

AMSD members continue to benefit from the work of the dedicated AMSD team. AMSD Office Manager Kimberly Jansa oversees the day-to-day operations and handles everything from planning and organizing meetings to bookkeeping to overseeing the annual audit to helping prepare the annual budget and much more. In addition to his communications work, Communications Director Troy Melhus has mastered the art of conducting hybrid meetings to allow AMSD members the option to attend in person or participate virtually. AMSD Legislative Consultants Kris Amundson and Lori Grivna provide tremendous assistance covering committee hearings and floor sessions, meeting with legislators, developing legislative strategy and communications, and drafting of advocacy materials.

Member Services

Below is a list of some of the services the AMSD team provides to our members:

- The AMSD website provides comprehensive information for our member school districts. The advocacy page on the website offers the latest information and tools to help AMSD members advocate and engage in the legislative process. The page includes a list of the legislative districts and legislators for each AMSD member school district as well as a contact list for legislative leaders, members of the pertinent legislative committees as well Minnesota's congressional delegation. It also includes a bill tracker and links pertinent education bills, summaries, and spreadsheets. Troy will be working with our web designer to refresh the website this summer.
- AMSD continues to be known for our comprehensive and timely email updates. The updates provide important and timely information and include links to resources, legislation, presentations, and recorded video of legislative hearings and board meetings. We also use the email updates to share news from MDE, PELSB and BOSA and to deliver legislative alerts and calls to action when we need the voice of AMSD members at the Capitol.
- Kimberly continued to work with the Board of School Administrators to enable us to offer continuing education credits for our board meetings and our annual conference.
- We enjoy the opportunity to support the activities of local legislative action coalitions. I was invited to speak to some of our member district LACs over the past year and am always happy to do so.
- The Connections Newsletter continues to be a great tool and serves as a vehicle to share success stories in our member school districts, highlight new research, and advocate for AMSD's legislative priorities throughout the legislative session. The newsletter is distributed in electronic format to all AMSD school board members, superintendents, district staff, legislators, legislative staff, and members of the media.

AMSD Election Guide

Looking ahead, we will again produce a state election guide for use by AMSD members in the upcoming election. All 134 state house seats will be on the ballot this fall in addition to the eight congressional seats and one U.S. senate seat. The guide includes information about education funding and policy issues as well as tips on holding effective candidate forums and sample questions to ask legislative candidates. The guide has been an effective tool in educating political candidates about important education issues and engaging our member districts in the electoral process.

Voice For Metro and Regional Center Schools

AMSD is the voice for metropolitan and regional center school districts. Over the years, AMSD has led the charge on a wide variety of issues including allowing school boards to renew an existing referendum, linking the formula to inflation, addressing the special education and English learner cross-subsidies, diversifying the educator workforce, enactment of the local optional revenue program, and allowing referendum questions to increase referendum revenue by inflation. In 2018, AMSD led the effort to use the pension adjustment mechanism in the funding formula to make sure AMSD members had their increased employer cost covered when the pension stabilization legislation was passed. The importance of that effort has been highlighted the last two sessions when pension legislation was proposed that would again increase the employer contribution to TRA. The legislation we successfully lobbied for in 2018 established a precedent that has been followed since.

We have a strong working relationship with the other education organizations, and we coordinate lobbying efforts to present a unified front whenever possible. For example, all the organizations pushed for a 1 percent formula increase this session as a top priority. We also rely on each other to cover the myriad House and Senate Committee hearings which are often meeting at the same time.

AMSD members, working together, continue to play a leading role in shaping state education policy and building support for public education among policymakers and the public. It continues to be an honor to work with AMSD board members and district staff. Thank you!